

McGoff Files In Star Case

By Stephen M. Aug.
Washington Star Staff Writer

Michigan newspaper publisher John P. McGoff has accused Washington Star Publisher Joe L. Allbritton of unfairly using The Star to influence the public and the Federal Communications Commission.

The accusation was made by McGoff — joined by a small group of area residents — in requesting the FCC either to deny outright Allbritton's request for an exception to commission rules, or, at least, to hold full public hearings on the matter.

At the same time, three other community groups — the Adams Morgan Organization, National Capital area chapters of the National Organization for Women, and the D.C. Media Task Force — urged the FCC also to hold hearings on the matter.

At issue is Allbritton's request to the FCC to waive several of its rules in order to allow him to acquire control of both The Star and three Washington broadcast stations, all owned by Washington Star Communications Inc. The stations are WMAL-AM, FM and TV.

FCC rules preclude, in the absence of a waiver, the sale of a daily newspaper and broadcast properties in the same city to a single owner.

Allbritton has indicated that without access to the profits from its radio and television properties to subsidize it, The Star will be forced to go out of business, leaving Washington with only one daily newspaper, The Post.

The McGoff accusations were contained in a reply to a statement to the commission made last month by Allbritton in which he sought to convince the agency, among other things, that The Star's losses were increasing, and that he was financially responsible to acquire the broadcast properties. The FCC requires a statement of financial responsibility from those who intend to own radio or television stations.

McGoff, through his lawyers, contended that a lengthy story which appeared on the front page of The

Star Jan. 22 giving Allbritton's side of the issue was in marked contrast to a much shorter version of his side published in a "rear section."

"This was clearly an effort by Allbritton to influence the Star-News' readers, which likely include staff and members of the FCC itself," McGoff said. "This is a classic example of the potential for and reality of abuse of power that is inherent in the multiple ownership of media, and no better example will probably ever be before the commission," he added.

McGoff SAID that "even facing an uphill fight to obtain a waiver" of the FCC's rules, "this prospective owner could not show adequate restraint to deal fairly with important public issues in which he has a personal interest. This bodes ill for any future coverage of news of interest to Perpetual's owners, and, standing alone, this is a basis for denying this extraordinary waiver request so as to prevent just such future abuses of power on matters that may have the gravest national implications." Perpetual is the company Allbritton owns and through which he would own a 37 percent interest in The Star, and its parent corporation.

McGoff said that, if the FCC grants Allbritton's request without at least holding a hearing, he will appeal the matter to a federal court.

McGoff, who some months ago unsuccessfully sought to buy The Star newspaper from the three families that owned it for more than a century, said his offer still stands. He added that if he were allowed to acquire the paper, without the broadcast stations, there would be no need for the FCC to bend its rules. He said further that The Star's previous owners did not expend sufficient efforts to find another potential buyer who would acquire only the newspaper.

A similar point was made by lawyers for the three community groups opposing the FCC rule waiver.

They suggested as well that the management of The Star had not demonstrated that it had fully explored alternatives to a sale of the paper and therefore avoided the necessity of asking the FCC to waive its rules.

These alternatives, it said, include corporate or managerial reorganization, discontinuance of the Sunday edition, and entering into an arrangement with The Post whereby both The Star and Post would be printed at a single plant.

The document, filed by the Citizens Communications Center, on behalf of the three groups, suggested that a joint operating agreement, "while disadvantageous to the public in many ways, would appear to be attractive to The Post, since it would cut the costs of both papers."

THE COMMUNITY groups also contended that there were other potential buyers of The Star who would not have posed the problem of selling all the broadcast stations to the same owner. The potential buyers were identified as McGoff and Australian publisher Rupert Murdoch.

The groups argued that the only reason Allbritton's offer was accepted was that it provided the best deal for the former owners.

If the FCC approves Allbritton's request, the community groups suggested any of at least four possible conditions the agency should impose, relating to the future divestiture of some of the radio-TV properties.

The community groups said, however, that a full hearing is necessary to explore such issues as The Star's attempts to find other buyers, whether The Star would really fold if the rule waiver is not granted, whether the Star's parent is a failing company, when The Star's finances will turn the corner towards profitability, and whether approval of Allbritton's request will increase the diversity of local sources of information in the Washington area.